CANADIAN FEDERATION OF NURSES UNIONS

Executive summary

Opening the black box: Unpacking the use of nursing agencies in Canada

Dr. Joan Almost, RN, PhD
Professor

September 2024

Canadian Federation of Nurses Unions

About the CFNU

The CFNU is Canada's largest nurses' organization, representing 250,000 frontline unionized nurses and nursing students in every sector of health care — from home care and long-term care to community and acute care — and advocating on key priorities to strengthen public health care across the country.

Land acknowledgement

From coast to coast to coast, we acknowledge the ancestral and unceded territory of all the Inuit, Métis and First Nations Peoples that call this land home. The Canadian Federation of Nurses Unions is located on the traditional unceded territory of the Algonquin Anishnaabeg People. As settlers and visitors, we feel it's important to acknowledge the importance of these lands, which we each call home. We do this to reaffirm our commitment and responsibility to improve relationships between nations, to work towards healing the wounds of colonialism and to improve our own understanding of local Indigenous Peoples and their cultures.

About the author

Dr. Joan Almost is a dedicated nursing scholar at Queen's University with over two decades of experience, known for her contributions to nursing education, policy and research. Her excellence in teaching and leadership has earned her numerous accolades and recognition in the field.

Published by:

Canadian Federation of Nurses Unions
2841 Riverside Drive
Ottawa, ON K1V 8X7
613-526-4661

www.nursesunions.ca

ISBN
Digital: 978-1-990840-18-0
Print: 978-1-990840-17-3

CFNU project team

Executive summary author:
Alexandra Hamill, Dr. Joan Almost, RN, PhD
Design and layout: Holly Drew, Charlie Crabb
Project support: Oxana Genina

CFNU advisory committee

Erin Ariss (ONA)
Darlene Jackson (MNU)
Tarya Morel (BCNU)
Andrea Wardrop (BCNU)
Eyasu Yakob (CNSA)
Tiffany Campbell (CNSA)

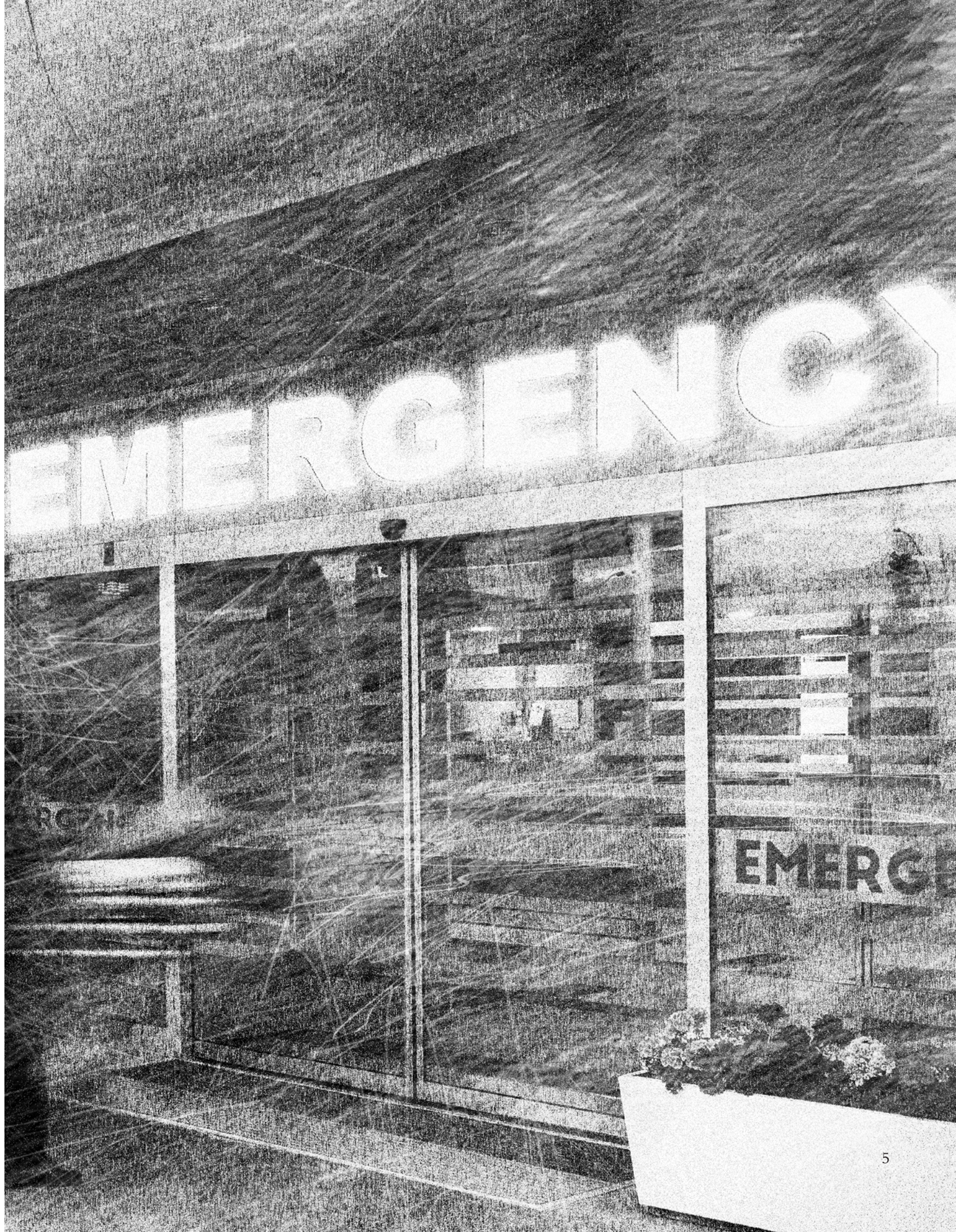
Translation

Jocelyne Demers-Owoka, Ideal Translation

CFNU Member Organizations

Registered Nurses' Union Newfoundland & Labrador
UNA United Nurses of Alberta
New Brunswick Nurses Union NBNU SUINB Syndicat des infirmières et infirmiers du Nouveau-Brunswick
pei nurses'
BC NURSES' UNION
Nova Scotia Nurses Union
ONTARIO NURSES' ASSOCIATION
sun SASKATCHEWAN UNION OF NURSES
CNSA AEIC
Manitoba nurses Union A COMMITMENT TO CARING

Table of contents



"Until for-profit agencies can be completely phased out, actions must be taken to implement regulations and oversight and end the profiteering of this crisis. It's time to open up this expensive black box of staffing." – Linda Silas, CFNU President

Message from Linda Silas, CFNU President

Our health workforce is in a crisis unlike anything we've seen before, putting strategies to fix it on everyone's mind. Retention and recruitment are key to stabilizing the nursing workforce and fixing health care workplaces.

In the throes of this staffing crisis, the use of for-profit agencies has skyrocketed. What started as a short-term measure to fill posts that are hard to recruit has become a growing reliance on nursing agencies for everyday staffing needs, even in large urban hospitals.

In response to these pressing issues, the Canadian Federation of Nurses Unions (CFNU) partnered with Queen's University on a research agreement to conduct a mixed-methods study to examine the high use of private for-profit nursing agencies, led by Dr. Joan Almost. Dr. Almost is a registered nurse and professor, whose research area of expertise includes the work environment of nurses and health care quality. Existing research on for-profit nursing agencies was essentially non-existent in Canada, and the multiple methods required to acquire the data in this report highlight the opacity of the industry.

What the report found is a black box of for-profit agencies, where public money is being poured in with very little oversight or reporting of how public funds are being used.

In 2023-2024, $1.5 billion of our public health care dollars are projected to be paid out to for-profit agencies. The rise has been rapid, with a 6-fold increase over just three years, up from $247.9 million in 2020-2021. There are at least 472 nurse staffing agencies operating, with new ones emerging each year. These estimates are based on available data, but the real values are likely much higher.

For-profit agencies have found an economic opportunity in the nursing shortage crisis at a great cost to taxpayers and an even greater cost to the nursing profession.

We can't blame nurses for seeking alternatives to the deteriorating working conditions that are pushing them out of workplaces and fuelling the nation's dire staffing crisis. For too long, nurses have faced an uphill battle for appropriate staffing, making do with less and less. Nurses have stepped up time and time again, but their pleas for better working conditions have continually been ignored.

I fear the impact this will have on our profession, with many nurses working full time but going without the benefits and pension their career should grant them. I fear the loss of the healing therapeutic relationships with patients that drew many of us to nursing. I fear for patients when continuity of care is disrupted, when patient-centred care is lost.

Most of all, I fear for the future of our public health care system when the workforce that keeps it running is being siphoned into for-profit companies to line the pockets of stakeholders.

One thing is clear: for-profit nursing agencies are not a sustainable solution to Canada's staffing crisis. We cannot continue to slap a band-aid on a gaping wound.

For the future of nursing and our public health care system, we must reverse this costly trend. Governments and employers must begin phasing out the use of for-profit nursing agencies, while taking immediate action to solve the nursing shortage.

Fixing the realities of all nursing workplaces will require thoughtful strategies, with special attention to staffing in rural and remote areas, to ensure staffing needs are met within our public health care system. Until for-profit agencies can be completely phased out, actions must be taken to implement regulations and oversight, and end the profiteering of this crisis. It's time to open up this expensive black box of staffing.

Nursing jobs, and health care jobs, should be the best jobs in our communities. We need to give nurses and health care workers the respect they deserve. Respect for nurses and their profession means competitive wages, safe workloads, safe nurse-to-patient ratios, and schedules that are made to support nurses' reality and provide work-life balance.

Nurses' unions are ready to work with governments and employers to retain and recruit nurses within the public health care system, stabilize the nursing workforce crisis and end the unsustainable reliance on for-profit nursing agencies.

Together, let's chart a healthier future for the nursing profession and for our public health care system from coast to coast to coast.

In solidarity,

Linda Silas

CFNU President

Purpose

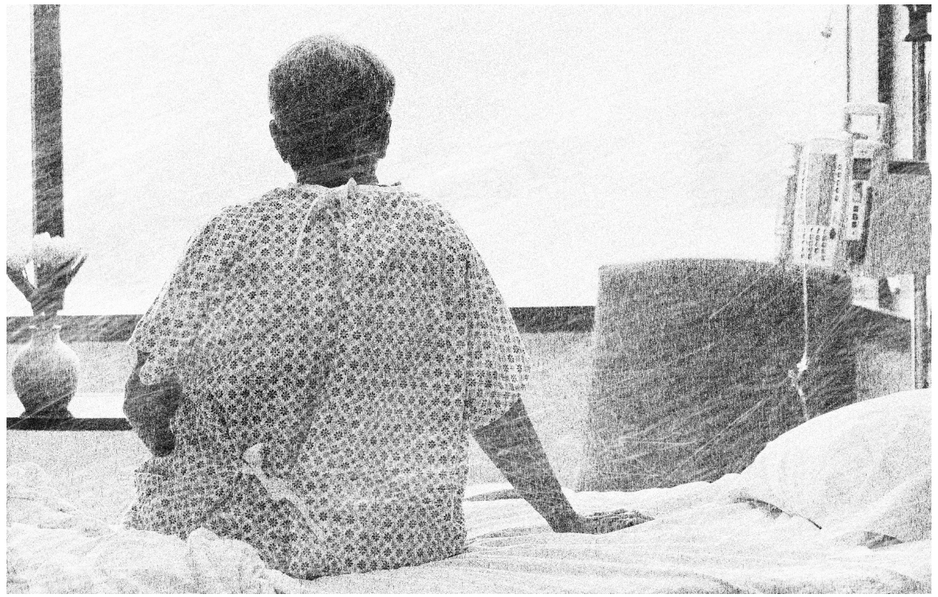
The purpose of this research study was to examine the high use of private for-profit nursing agencies across Canada.

Definition

Agencies are for-profit nurse staffing companies that provide what are commonly referred to in Canada as travel, temporary, or agency nurses. The agency hires nurses and arranges contracts with a healthcare facility typically spanning a few weeks to several months then arranges for nurses to fill those contracts. The agency is paid by the healthcare facility based on the terms outlined in the contract, and, in turn, the agency pays the nurse. The nurses are often supervised and work under the direction of the healthcare facility where they are working. In this report, the term *nurses* refers collectively to registered nurses (RN), registered psychiatric nurses (RPN), licensed practical nurses [registered practical nurses in Ontario] (LPN) and nurse practitioners (NP).

Objectives

The Canadian Federation of Nurses Unions (CFNU) commissioned the related research study to examine the current landscape on the use of agencies across Canada, including the number of agencies, associated costs, agency hours and sectors/settings. The CFNU also sought to understand the impact that agencies have on health human resources planning, privatization of the public health care system, and retention and recruitment of the nursing workforce.



Background

Agencies have been around for decades to fill short-term staffing needs and provide care in rural and remote facilities where it is more difficult to recruit permanent staff. The number of nurses working with agencies was always believed to be low, with many downsides to agency work, such as no pension, benefits or guaranteed hours. However, nursing job vacancies have been growing for many years, even before the COVID-19 pandemic. Then during the pandemic, the increased need to cover sick leave added significant strain to the workforce and led to a subsequent rise in the use of agencies by health care facilities to fill critical short-term staffing needs. Nurses left their troubled public system jobs to sign contracts with agencies, but their exit caused additional strain on the working conditions of public system nurses. Desperate hospitals, health authorities and LTC homes, under the strain of several years of the COVID-19 pandemic and other growing pressures, have turned to agencies to fill the gaps and limit the number of service cuts, but with dramatic increases to their operational budgets. This trend has continued, with agencies becoming a bandage for a chronic nursing shortage that has been building for the past two decades. Agencies were never intended to fill chronic nationwide nursing staff shortages. Their regularized use is increasing, and the system cannot continue to accommodate this spending (Kaasalainen, 2023).

Media reports paint a stark and alarming picture of how public money is being spent on agencies across the country. Reports outline how many agencies are not accountable to the public, and their costs are ultimately unsustainable for the health care system. However, beyond the media reports, publicly available data revealing the extent of agency use was practically nonexistent, allowing them to operate unseen.

Nursing shortage

The nursing shortage has been increasing rapidly, with the number of job vacancies growing each year. Statistics Canada reported nearly 43,000 nursing job vacancies across Canada in the fourth quarter of 2023, which is an underestimate of actual vacancies. Over eight years (2015 Q4 to 2023 Q4), RN and RPN vacancies rose by 340% from 6,530 to 28,740; LPN vacancies rose by 738% from 1,585 to 13,285; and NP vacancies rose by 634% from 95 to 700 (Statistics Canada, 2024b).

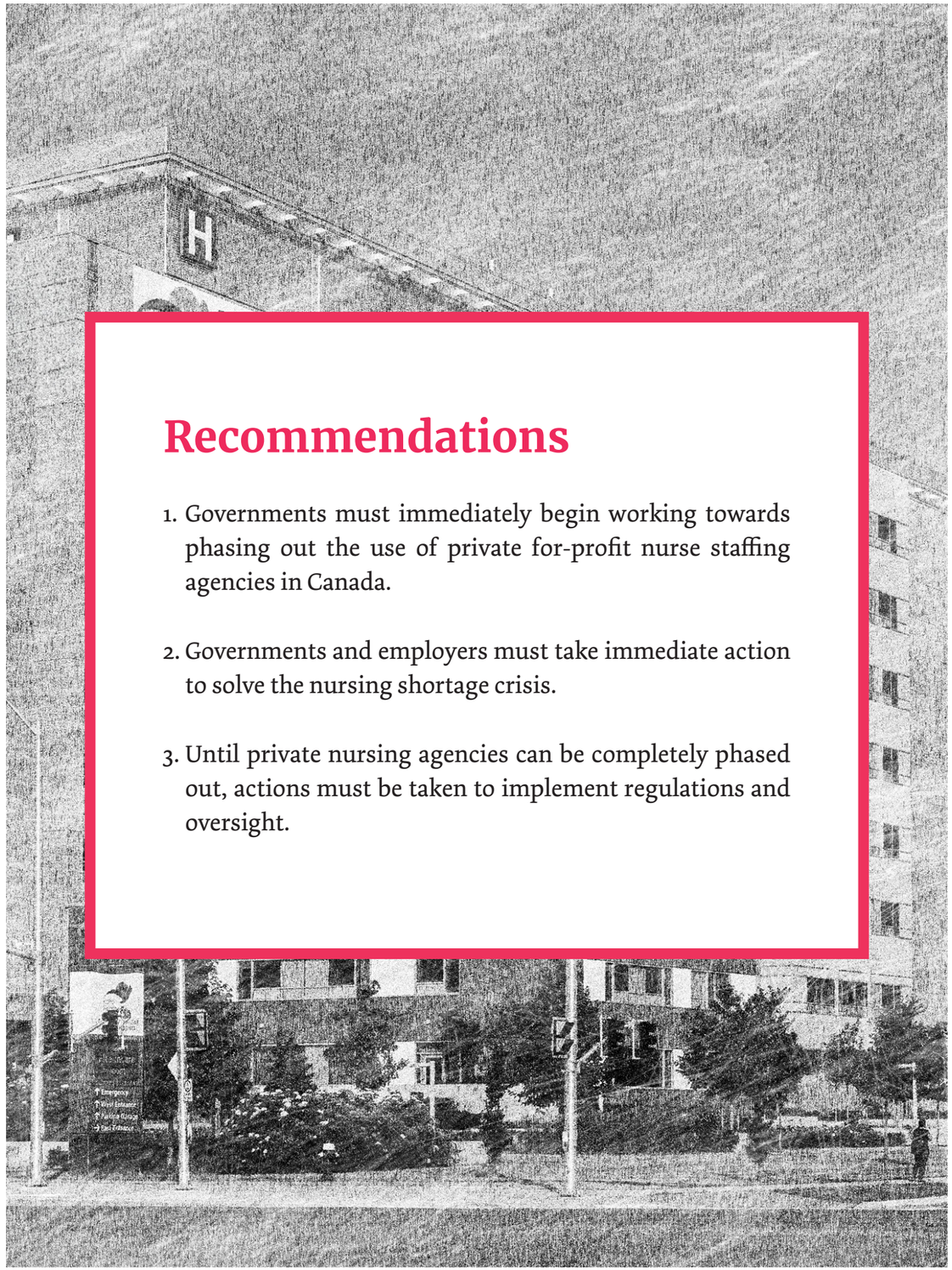
Nurses are facing complex, intersecting issues such as worsening work conditions, inadequate compensation, heavy workloads, mandatory overtime, lack of flexibility, inadequate staffing, poor work-life balance, disrespect, and unpredictable staffing and scheduling, among other challenges (Ben-Ahmed & Bourgeault, 2022; CFNU, 2024).

As a result, over the past decade, nurses have increasingly reported experiences of burnout, moral distress (Royal Society of Canada, 2022), and a desire to leave their jobs or the profession (Statistics Canada, 2023). A CFNU (2024) survey conducted in early 2024 with 5,595 practicing nurses reported that 4 in 10 intend to leave the profession, leave their job or retire within the next year.

A nursing leader interviewed for this report recounted the situation of nurses working in the public system, stating:

"They are constantly bombarded to work overtime. It's endless. And they're tired, they're burnt out. The workloads are outrageously high. They feel that they're working in environments that are no longer safe, but it seems to become normalized... I remember a nurse getting up and talking about their experience, and actually they said, 'I have contemplated on my way to work in the morning getting into a head-on collision, knowing that that's the only way I can get a day off.'"

Nurses are seeking alternatives to the deteriorating working conditions in the public health care system. For-profit agencies have seen the economic opportunity in the nursing shortage crisis and are increasing their presence in the public health care system at great cost to the public payer while contributing to the destabilization of the nursing workforce.



Recommendations

1. Governments must immediately begin working towards phasing out the use of private for-profit nurse staffing agencies in Canada.

2. Governments and employers must take immediate action to solve the nursing shortage crisis.

3. Until private nursing agencies can be completely phased out, actions must be taken to implement regulations and oversight.

Methods

Data were collected from a wide variety of primary and secondary sources, and several methods were used to answer each of the research questions. Existing research on agencies was essentially nonexistent in Canada. Only one Canadian academic journal article on agencies met the inclusion criteria and was found late in the research process. Agencies can be a "black box" where public money goes with very little oversight or reporting on how it is used. The multiple methods required to acquire the data in this report highlight the opacity of the industry and how these companies can operate with very little accountability. [1]

Data sources

Review of existing and emerging literature

- Canadian: 1 academic journal article
- International: 41 academic journal articles

Request to nursing regulators

- College of Nurses of Ontario *Nursing Data Dashboard* had data specific to agencies as an employment setting

CIHI's Health Workforce Database

- Special request for available data from 2018-2022

First online survey: chief nurse executives (CNEs)

- 31 CNEs or delegates responded: 16 who reported agency use completed the survey; 15 reported no agency use

Requests for access to information (ATIP/FOI) under *Freedom of Information and Protection of Privacy Act*

- 7 health authorities who did not reply to CNE surveys provided ATIP/FOI data

Requests to provincial nursing unions

- 7 provincial nursing unions provided additional information, including ATIP/FOI

Second online survey: nurses, managers and students

- Nurses who currently work with or previously worked with an agency in Canada within the past 5 years (592 respondents)
- Nurses and managers who work in a healthcare facility in Canada using agencies (1,050 respondents: 95 managers, 955 nurses)
- Pre-graduate nursing students in the last year of their program at a Canadian institution (23 respondents)

Interviews: 18 semi-structured interviews approximately 60 minutes each in length each

- Nurses who currently work with or previously worked with an agency in Canada within the past 5 years (6 interviews)
- Employers who use or do not use agencies (6 interviews)
- Canadian nursing leaders (6 interviews)

1 See Appendix A in the full report for a summary of agency used for each jurisdiction with available data.

Results

Number of agencies used

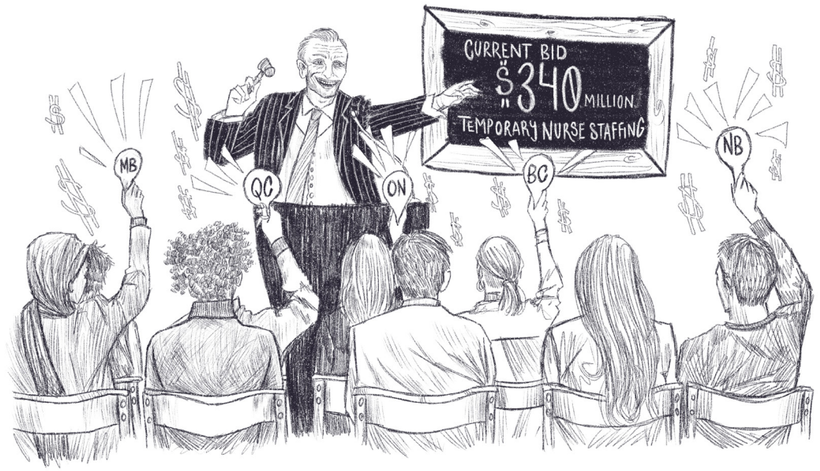
472 agencies were identified through this research, and new agencies are emerging each year. Agency websites were explored to try to find more information about the companies, but some had very little detail, and it was unclear which companies were owned by parent companies and which were independently owned.[2]

In Ontario, the number of hospitals that used agencies increased between 2021 and 2023 (Ontario Nurses' Association, 2023), and for hospitals and health authorities with available data, the majority increased the number of agencies they were using each year between the 2020/2021 and 2023/2024 fiscal years.

Money spent on agency costs

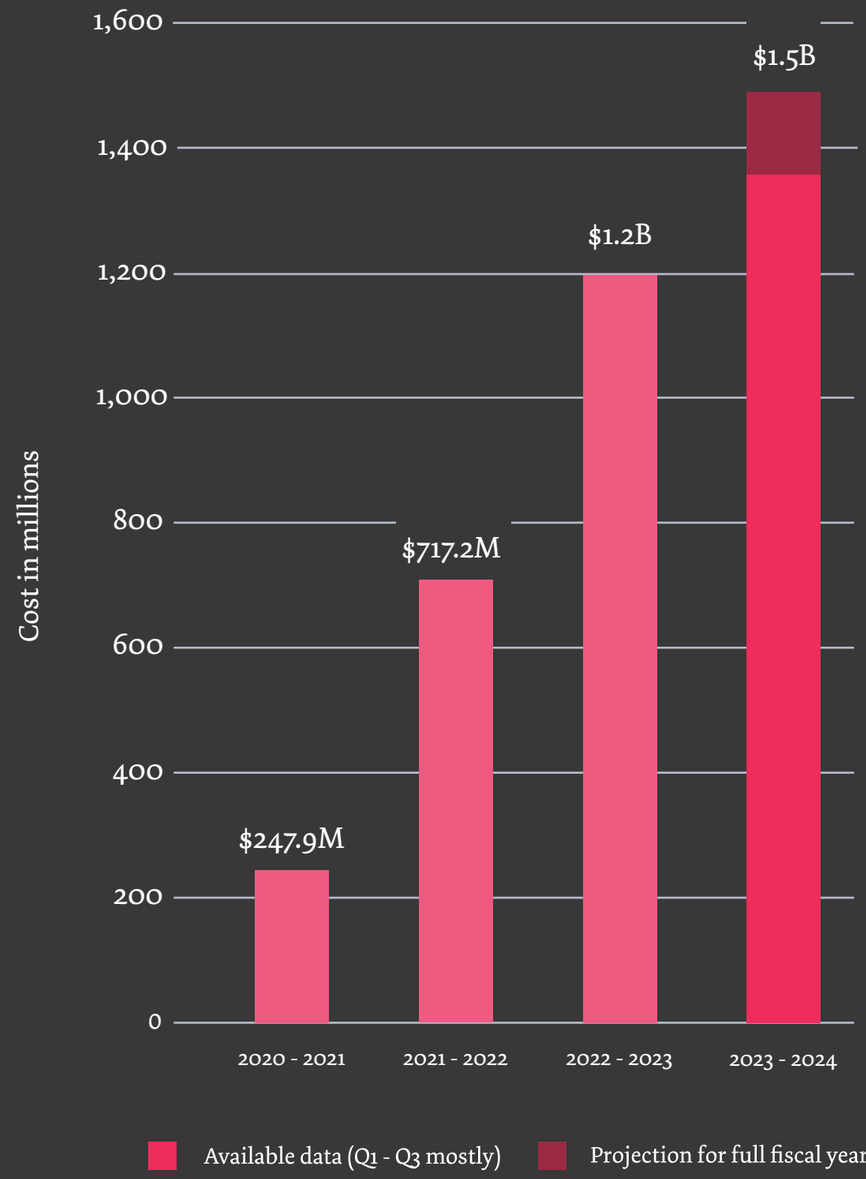
Costs paid to agencies by Canadian public health care facilities are rising rapidly, with a six-fold increase over just three years from $247.9M in 2020-2021 to a projected $1.5B for 2023-2024 using available data.[3]

In addition to these costs, 130 federal contracts were awarded to agencies at a cost of $3.2 billion from 2019 to 2024.[4] A subset of data that were consistently reported across 21 hospitals and health authorities for four reporting periods illustrated a 4.5-fold increase from $123M in 2020-2021 to a projected $549.5M for 2023-2024, with the costs rising each year.[5] Apart from a small number of facilities, this trend was evident in the rising costs reported across the country.[6]



2. See Appendix B of the full report for the complete list of identified agencies.
3. See Appendix C for detailed costs by jurisdiction and hospital or health authority.
4. See Appendix F in the full report for the overview of federal contracts 2019-2024.
5. Refer to Figure 3 in the full report.
6. See Appendix E in the full report for the overview of data sources used in Figure 3: *Total costs across a subset of health care facilities.*

Total costs spent on agencies by health care facilities in Canada over the past four fiscal years using available data

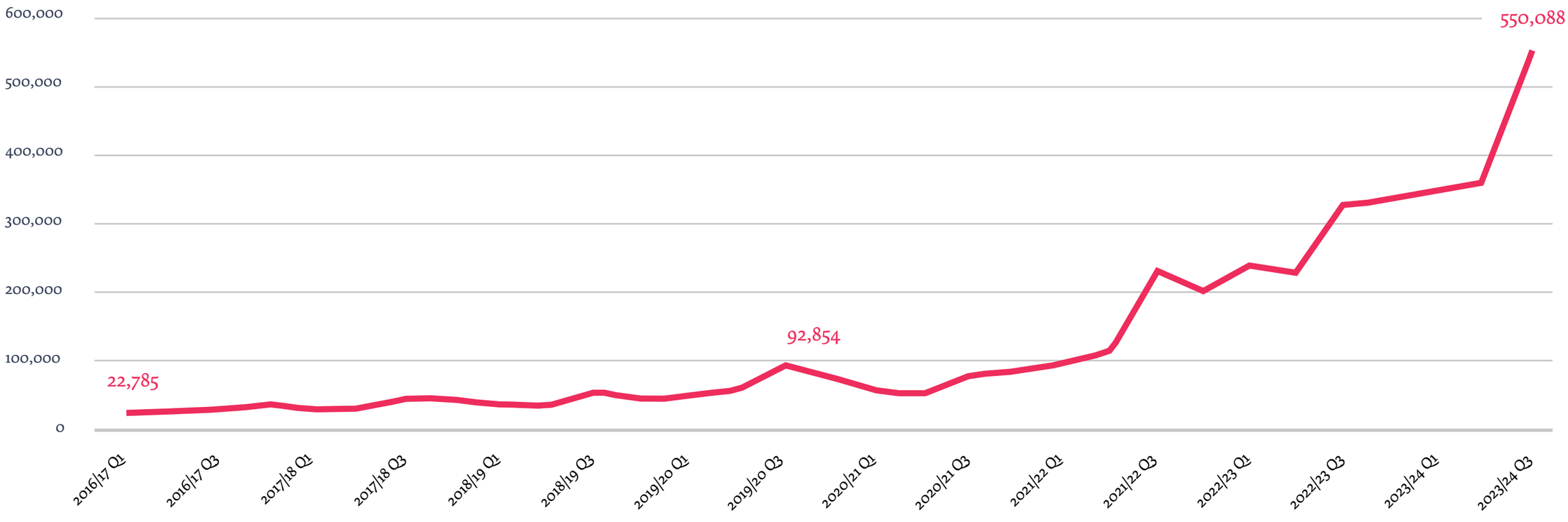


Note: costs are likely much higher than reported due to differences in reporting as well as the lack of available data for some jurisdictions.

Total agency hours reported in British Columbia

2016–2024

Figure created by the British Columbia Nurses Union using data provided by the Health Employers Association of British Columbia (2024).



Agency hours used

Sixty-five percent of managers and three quarters of nurses who work in health care facilities that use agencies reported seeing an increase in agency use over the past five years.

Available data from seven provinces and territories showed that the number of agency hours is rapidly increasing each year. A projected 7.3 million agency hours, equivalent to 3,724 full-time equivalent positions, were accounted for in the 2023-2024 fiscal year. Between 2020-2021 and 2023-2024, there was a 3.4-fold increase in the total number of agency hours used.[7,8,9,10] Most hours were reported for RNs and LPNs only.

This can be further illustrated using data collected in British Columbia (*Total agency hours reported in British Columbia Since 2016*), which showed an increase from just under 23,000 agency nurse hours per quarter in 2016 to over 550,000 hours in Q3 of 2023-2024, a 24-fold increase (Health Employers Association of British Columbia, 2024).

7. See Appendix G in the full report for the detailed overview of agency hours by jurisdiction during the past 5 fiscal years.

8. Refer to Figure 5 in the full report.

9. See Appendix H in the full report for the overview of available data sources used in Figure 5: Total agency hours used by health care facilities using available data.

10. Refer to Table 10 in the full report.

Sectors and settings where agencies are being used

Top four practice areas where agencies were used: [11]

1. Long-term care homes
2. Critical care units
3. Emergency departments
4. Medical units

Agency costs per hour used

Not only is the number of agency hours increasing but so are the agency costs per hour used. It is evident from data in this report that per-hour costs paid by facilities to agencies have increased over the past four fiscal years. For a subset of the data where agency costs and agency hours used were consistently reported by 18 health authorities and hospitals, the agency costs per hour used were calculated.

In 2020-2021, the average agency cost per hour was $99.6, and in 2023-2024, it was a projected $133.8, a 34% increase based on available data.[12] The available data showed a clear trend of increased agency costs per hour used each year.[13] Caution should be used in comparing the actual agency costs per hour across jurisdictions, as some costs may reflect the base hourly agency rate only without additional costs, while others may reflect the base hourly agency rate plus additional costs such as agency fees, travel and accommodation.[14]

Hourly rates charged by agencies

Based on data collected from health care facilities and media reports, the lowest reported RN hourly rate charged by agencies to facilities was $65/hr in Manitoba, and the highest was $312.4/hr in Newfoundland and Labrador. The largest range of hourly rates charged by agencies was in Ontario hospitals for both general RNs ($53.5 to $260/hr) and specialty RNs ($81.2 to $195/hr).[15]

The lowest reported LPN hourly agency rate was $50/hr in Manitoba, and the highest reported rate was $306/hr in New Brunswick, followed by $124.8/hr in Nova Scotia LTC. The largest range of hourly agency rates was in Prince Edward Island ($42.9 to $120/hr), followed by a health authority in Manitoba ($50 to $125/hr).[16]

11. See Tables 11 and 12 in the full report for additional practice areas.
12. See Appendix I in the full report for the comparison of total agency costs and total agency hours.
13. See Figure 7 in the full report.
14. See Appendix J in the full report for hourly agency rates and who paid for direct or indirect costs by jurisdiction during past three fiscal years.
15. See Figure 8 in the full report.
16. See Figure 9 in the full report.

The hourly agency rate for RPNs was $74.4/hr in British Columbia and $65/hr in Manitoba (range of $65 to $130/hr). The lowest hourly rate for NPs was $82.2/hr in British Columbia, and the highest was $235/hr in Newfoundland and Labrador.[17]

Hourly wages paid to nurses

RNs working with agencies reported a wide range of hourly wages ($39 to $300) paid to them by agencies, with differences not only between agencies but also between provinces, locations within provinces and specialty practices. For example, it was reported that wages in British Columbia were in the $55 to $62 range, in New Brunswick in the $90 to $110 range, and in Ontario in the $70 to $100 range, depending on the agency. Nurses working in hospitals typically made the highest wages, while those working in long-term care, community care and home care made the least on average. Many nurses reported working at more than one agency with varying hourly wages. Most of the hourly wages reported were declared to be before any premiums were applied.

Determining and comparing actual agency rates and hourly rates remains an enigma as the rates are not only dependent on the base hourly rate but also on which direct costs are included, as outlined in the next section.

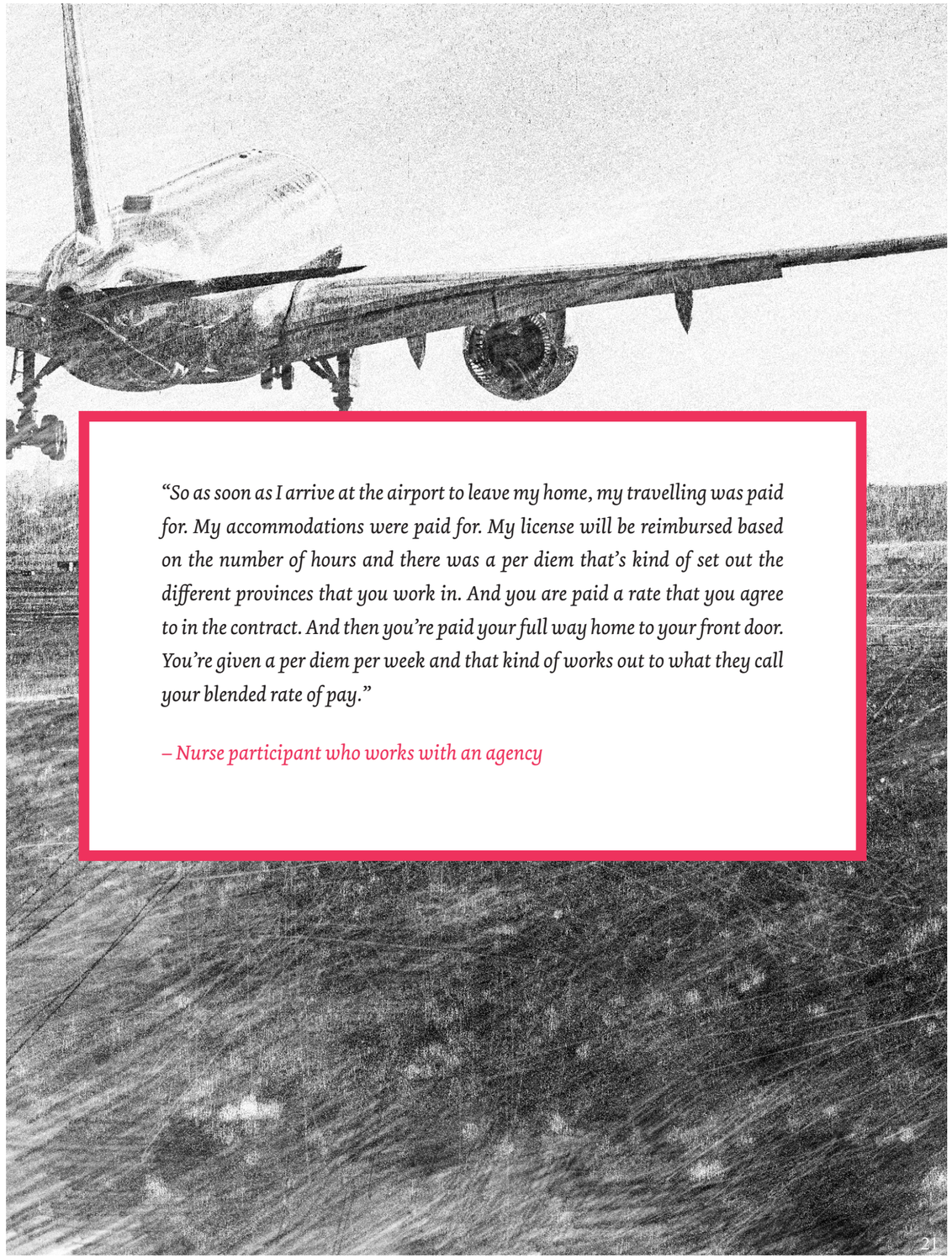
17. See Figure 10 in the full report.

Factors affecting agency rates

In addition to wages, there were several other costs associated with agencies.[18] These costs included travel (e.g., mileage, car rental, fuel, moving expenses), accommodations (actual expense or set amount per day or month, occasionally including spouse) and parking, which were reported to be predominantly paid by the health authority or hospital. Other direct or indirect factors affecting agency rates included:

- Per diem (meals, incidentals)
- Specialty practice premiums (e.g., critical care)
- Onboarding (e.g., orientation, badge, employee health, uniform, mask fit test, computer access, scheduling)
- Agency service fees/ administrative costs (25-35%)
- Overtime premiums
- Taxi to and from accommodations/ airport
- Short-notice fees (e.g., $100/day)
- Professional development
- Provincial registration
- Rural premium, additional costs for rural per diems/ Northern allowances
- Interprovincial travel, including flights
- Cell phone/ cable television/ internet
- Incentive fee for contractors
- Gift cards
- Union dues
- Uniform allowances/ winter attire

17. See Tables 16 and 17 in the full report for more details on costs covered and full list of reported expenses.



> *"So as soon as I arrive at the airport to leave my home, my travelling was paid for. My accommodations were paid for. My license will be reimbursed based on the number of hours and there was a per diem that's kind of set out the different provinces that you work in. And you are paid a rate that you agree to in the contract. And then you're paid your full way home to your front door. You're given a per diem per week and that kind of works out to what they call your blended rate of pay."*
>
> *– Nurse participant who works with an agency*

Reasons nurses are choosing to work with agencies

A large proportion of the nursing workforce is considering agency work. In a 2024 survey by the CFNU of 5,595 unionized nurses, 32% of all respondents and 48.3% of newly graduated nurses were interested in starting or increasing agency work. In this report, 56.5% of nurses who work in facilities that use agencies reported that they considered working for an agency. In interviews for this report, nurses who work with agencies identified the following reasons they chose to work with agencies.

Better pay and affordability (including overtime)

"I make triple what I did working as a staff nurse. I have guaranteed overtime, I can support my lifestyle goals, investments, and I can support a future that I want."

Travel, adventure, seeing new cities/facilities

"You get to travel, see new places, meet new people. Freedom. You get freedom. You can work as hard or as many hours as you want."

Opportunity to try different specialties, networking

"Working for the agency has been positive because you're constantly learning, if your mind is open, to different ways of growing your own practice."

Avoiding office politics and administrative burden

"...regardless of the money, regardless of the time off, regardless of every other benefit, the one that's almost invaluable is just getting to treat nursing like a job."

Choice of time off, scheduling, flexibility, work–life balance, ability to take vacation

"That might go to that flexibility piece. It's just like I'm on five different rosters, and anytime they have hundreds of different hospitals, I can go to any one of them at any time. And I don't have to re-interview because it's a different manager from a different unit."

"And in terms of time off, because I'm junior staff, I don't get my vacation approved, because the more senior staff will get it before me. So, having paid time off isn't actually a benefit for me to be staff. Whereas as an agency nurse, I can negotiate my contract length, I can ask for time off. I can even ask for time off within a contract and have those as stipulations."

– Nurse participants who work with agencies

Why health care facilities are using agencies

In the survey responses from CNEs, nurses and managers who work in facilities that employ agencies, as well as interviews with employers who hire from agencies, participants outlined the following reasons facilities chose to use agencies.

1. Workforce shortages and difficulty recruiting, leading to vacancies: need to cover vacation, sick leave, parental leave, improve nurse-to-patient ratios, decrease excess workload, etc.

An employer from a large urban center that was interviewed recalled a story where the agency they were working with was going to increase how much they were charging, so they had to choose between paying the increased rate or leaving the nurses on the floor overburdened with the full caseload.

"... So, we did make those decisions to pay more than we were paying previously. We did have a lot of conversations about the ceiling. When was enough, enough?" – Employer participant

2. Keeping facilities open, fulfilling service obligations, maintaining services to communities and avoiding redeployment of nurses

Participants identified their obligations to delivering services to their communities, keeping their facilities open and avoiding service disruptions.

"So, the fact is that we're using privately run agencies, because that's all that's available. And people are desperate, and they want to serve the communities they are here to serve. It is devastating, especially for the smaller communities, to lose their EDs and what little ICU capacity they have." – Employer participant

3. Poor retention strategies for permanent nurses, leading to vacancies and turnover

In the surveys completed by nurses and managers who work in facilities that employ agencies, one point raised by participants which was not raised by employers was the poor retention strategies for permanent nurses used by the facility, leading to vacancies and turnover of permanent nurses. This was also identified below in the interviews with nurse leaders.

4. More complex and pronounced staffing challenges in rural and remote facilities

In interviews with employers from rural/remote facilities, participants discussed the geographical difficulties in recruiting to rural and remote areas that have existed for a long time with chronically vacant positions. They also discussed the additional difficulties in staffing their facilities due to the rising use of agencies in large urban hospitals, creating competition for agency contracts and fewer resources to compete.

> *"...this is now not just a rural challenge, as we know. And so, as the larger tertiary sites are also relying more increasingly on agency staffing, it is actually drawing away from the rural sites in a way that's creating a whole other set of challenges."*
>
> *– Nursing employer participant*

Nursing leaders identified workforce shortages as the primary reason for agency use. They expressed that the shortage is perpetuated by several factors leading to the need to fill gaps with agencies, including:

- Lack of respect
- Wage oppression
- Lack of retention strategies
- Aging workforce
- Young workforce wanting to work in a different way (especially with scheduling)
- Government refusing to listen to frontline nurses
- Governments focusing on recruitment strategies or offshore recruitment of nurses instead of retaining those already here

"Public health care facilities are using agency nurses because they've got so many empty positions. We are almost 1,000 full-time equivalents short of registered nurses in this province, and they are doing virtually nothing to retain the people that are here." – Nursing employer participant

Perspectives on Agencies

Perspective: Pre-graduate nursing students and younger nurses

Nursing students and younger nurses consistently show the highest rates of interest in working with agencies. Seventy-two percent of nurses aged 20-29 who work in facilities that use agencies reported that they had considered working for an agency. Perceptions of the public health care system were often negative, and many did not see longevity in their careers in the public system.

In the survey of fourth-year nursing students from this report, 61% reported that they would work full time with an agency in their career, and 91% said that they would consider working with an agency as a second job. Nearly 6 in 10 were considering working for agencies right after graduation.

When discussing how they thought their careers would progress, student participants described the failing health care system that currently exists, stating that "publicly funded roles are fraught as there is a lack of ability to give health care in a way that is sustainable," and emphasized the need to improve the system.

Perspective: Nurses who work with agencies

More than 68% of nurses who work with agencies worked in both the private agency and public system at the same time. Over 83% reported having the option of choosing the types of units and facilities where they worked. Eight in 10 participants reported that they did **not** have the option of receiving employment benefits (e.g., dental, medical, pension). More than a quarter of nurses working with agencies reported missing the benefits of being represented by a union.

Advantages nurses experience from working with agencies

- Higher wages
- Better work-life balance
- Greater flexibility
- Opportunity to travel to different areas
- Units have more staff to provide quality of care
- Time off allows for better clarity while working
- Increased adaptability/flexibility to new clinical areas, roles
- More experience working with different people and teams
- Increased confidence to advocate
- Professional growth and development increased, confidence and independence
- Realize nursing is nursing
- Increased knowledge, skill and judgement due to variations in practice across areas
- Increased focus on following policies, scope of practice, standards, best practices
- Greater awareness of unsafe environments due to lack of staff or supplies
- Continuity of care not a concern if assigned to consistent practice environments: same facility, longer periods, consistent patient assignments

Disadvantages nurses experience from working with agencies

- Many agencies do not provide benefits or union protection
- Agency work may not be appropriate for new graduates
- Potential to be placed on unit without necessary experience
- Possible language barriers
- Constant turnover of staff may affect patient care
- Negative experiences with lack of support, feeling alone, being an outsider
- May be less assertive working in new environment
- Lack of familiarity – time is required to be familiar with an area and its systems
- Teamwork and communication can be difficult in a new context
- Must earn the trust of team and demonstrate competence
- Continuity of care can be challenging if facility assignments are inconsistent, especially in settings with frequent changes in patients (ER, PACU, labor/delivery)
- Placement location and specialty area is uncertain
- Concerns about putting their license at risk because of lack of familiarity with systems
- Negative portrayal of agency nurses in the media

Perspective: Nurses who left agency work within the past 5 years

Of survey respondents who had left agency work, almost 90% returned to the public system. Remaining nurses did not return to the public system because of poor working conditions and low salaries.

The top five reasons nurses reported leaving agency work were:

- They decided to transition to a full-time position or a job of choice.
- They left for personal reasons, including moving, family obligations and retirement.
- They had concerns about working with agencies, including lack of oversight, professional liability, lack of job security, unsafe roles.
- They were tired of travelling.
- Their contract had ended without renewal, especially post-COVID-19.

Perspective: Nurses and nurse managers who work at facilities that use agencies

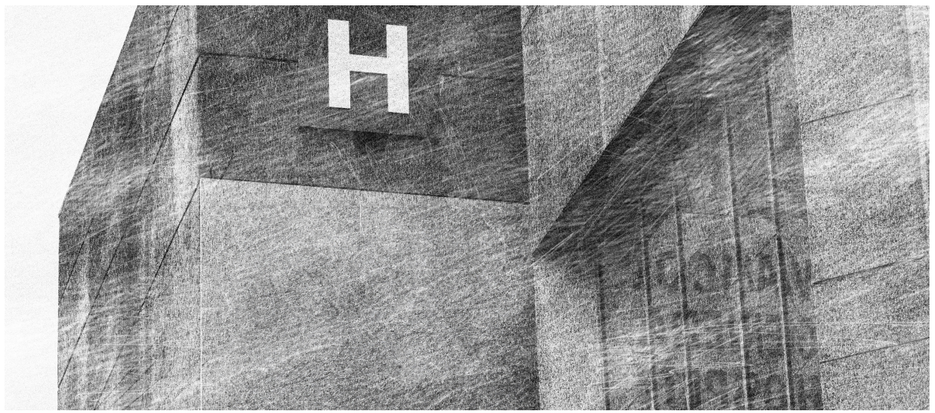
Nurses and nurse managers who work at facilities that use agencies reported both positive and negative impacts of agency use through surveys. Most survey participants reported working with nurses from agencies on a daily basis or 1-2 times per week, with approximately an hour spent each shift training, directing or redirecting them. The reported impact varied depending on the experience of the nurses and the rate of turnover.

Advantages of working in a facility that uses agencies

- Agencies help to fill vacancies, improve nurse-to-patient ratios and decrease workload.
- Nurses coming in are knowledgeable and share experiences.
- There is better patient safety with more staff.
- Agencies will fill last-minute vacancies and are adaptable.
- Agencies help reduce burnout which increases cohesion.
- Permanent nurses have improved morale with more staff, less overtime, fewer mandates, access to vacation time, less stress and burnout.
- Continuity of care is improved with more staff.

Disadvantages of working in a facility that uses agencies

- There is a sense of the loss of values and culture as a unit from constant turnover – 'who we are and how we work'.
- There is a loss of a 'consistent team' – familiar faces, camaraderie, knowing who you work with.
- Never ending training and directing – extra workload for permanent nurses, including orientation, protocol oversight, overall unit functioning.
- Patient care may be negatively affected.
- Permanent nurses feel disrespected, devalued, demoralized and exhausted by wage disparity, lack of recognition, shifts/hours being altered.
- Inadequate orientation for nurses coming in through agencies leaves them unfamiliar with policies, protocols, routine, care standards, local scope, paperwork.
- Agencies may not place nurses with enough experience in appropriate clinical area.
- Short contracts and limited time in areas mean that long-term residents are not familiar with nurses coming in with agencies.
- Lack of familiarity makes anticipation of long-term issues, maintaining long-term care plans and following-up with questions after shifts difficult.
- Continuity of care is interrupted with turnover.
- Those coming in temporarily may not be familiar with all available resources.
- Those coming in temporarily may be unfamiliar with information to report during handover at shift change.



Perspective: Employers who use agencies

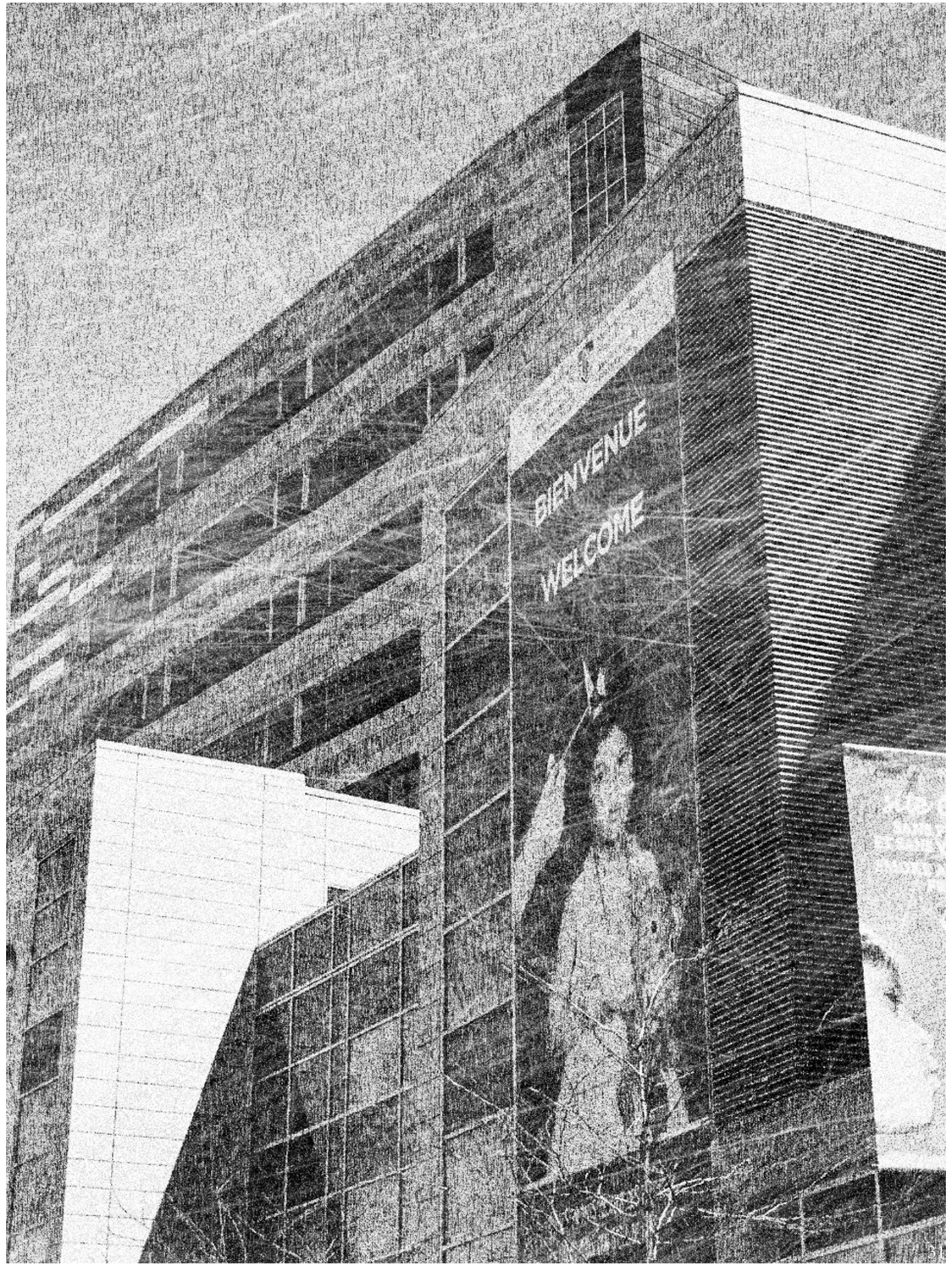
Employers who use agencies discussed the issues that they were experiencing with achieving adequate staffing levels and described the tension they experienced between fiscal responsibility and making sure they 'kept the doors open'.

Advantages employers experience from using agencies

- Agencies help to fill vacancies due to workforce shortages.
- Agency staffing keeps services open and maintains service continuity, especially in rural and remote areas.
- Rural and remote staffing has long-standing staffing challenges that are helped by agency staffing.
- Employers report they can have positive experiences with agencies, but there is importance of 'putting thought' into the decision and only working with one agency to ensure the experience is positive.
- Recognize that nurses working with agencies have flexibility and opportunities to learn about other environments.
- Agency staffing reduces reassignment and redeployment of permanent staff nurses.

Disadvantages employers experience from using agencies

- Mentoring new permanent staff members has long-term payoffs, while agency staff leave after the investment and training has been put in.
- They recognize there is a 'destabilizing' effect on the team, leading to decreased morale.
- Permanent nurses see an increased workload due to constant turnover.
- There is a different relationship with clinical and operational leadership, which changes the ability to follow up with clinical practice concerns.
- They noted concerns over the quality of care specific to the lack of familiarity with the system, environment and teams.
- There is a significant burden on administrative staff due to increased orientations, scheduling and logistics, including accommodations, sometimes requiring additional staff.



Perspectives: Employers who do not use agencies

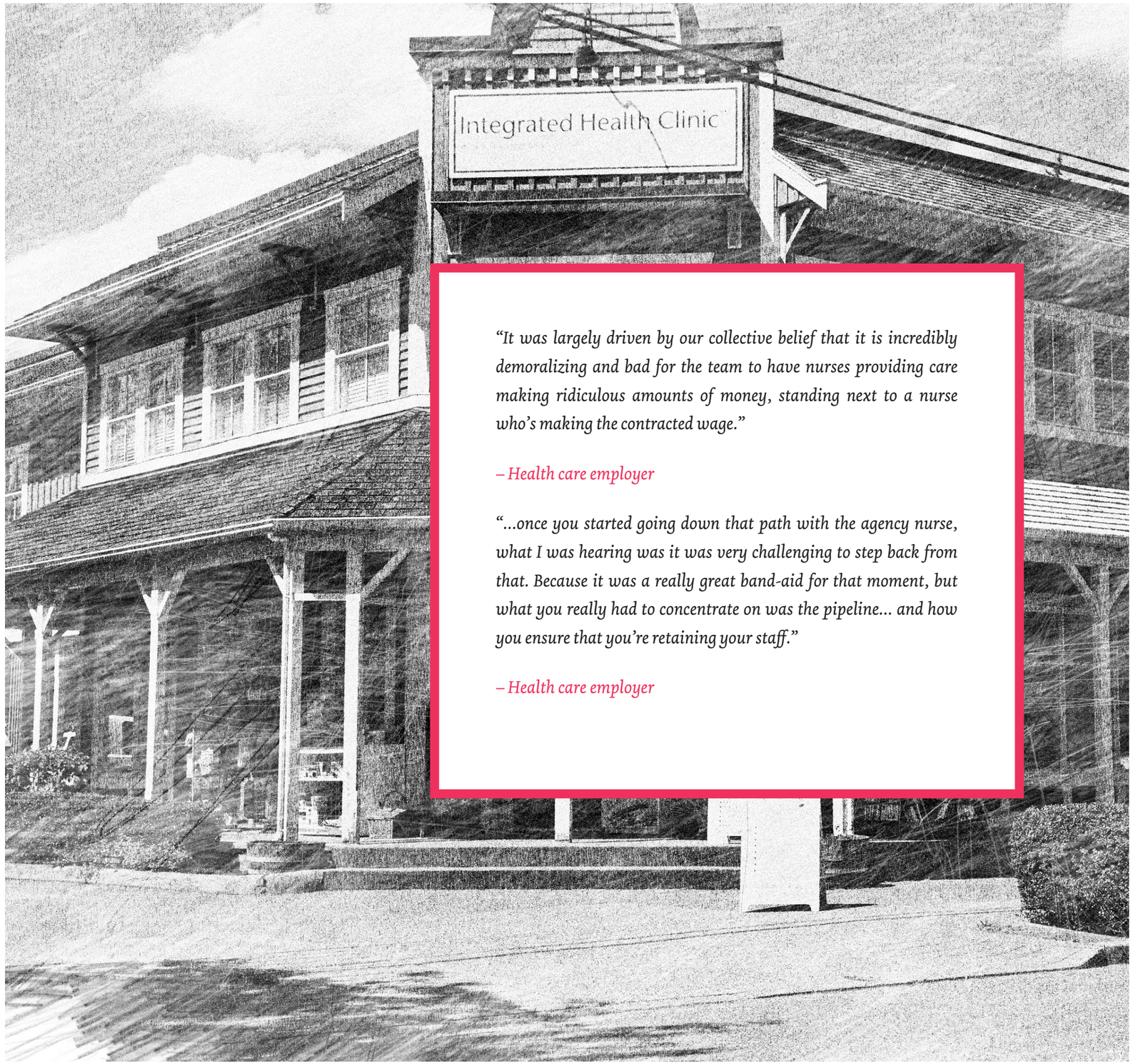
Despite the rapid growth and spread of agencies, some employers have avoided using them. They say that avoiding agencies was a challenge that required investment in their existing workforce and determination to find alternative management options.

Reasons health employers avoid using agencies

- Having agencies come in leads to negative staff morale when working alongside nurses making significantly more money in the same role.
- They may not always receive the skillset they were paying for or requested.
- They have a strong belief in the value of the public system.
- It would cost more to bring in agencies than pay for overtime.
- It would be hard to 'come back' from using agencies.

How health employers have avoided using agencies

- Focused on building their own pipeline of nurses
- Maximized scopes of practice
- Invested money in the nurses working in their organization rather than agency costs



"It was largely driven by our collective belief that it is incredibly demoralizing and bad for the team to have nurses providing care making ridiculous amounts of money, standing next to a nurse who's making the contracted wage."

– Health care employer

"...once you started going down that path with the agency nurse, what I was hearing was it was very challenging to step back from that. Because it was a really great band-aid for that moment, but what you really had to concentrate on was the pipeline... and how you ensure that you're retaining your staff."

– Health care employer

Perspective: Canadian nursing leaders

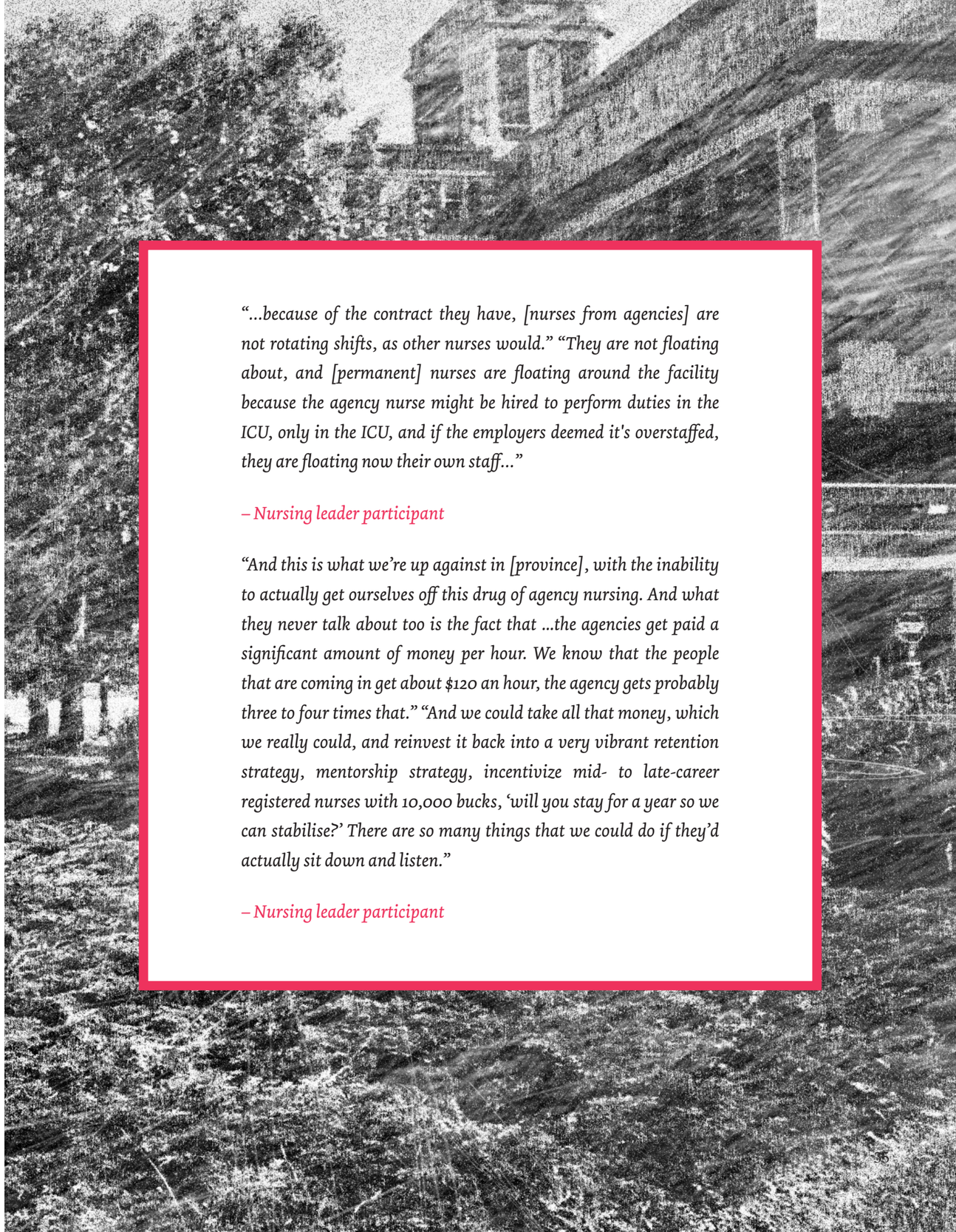
Nursing leaders shared their unique perspectives, noting several impacts on operational systems and professional practice.

Advantages nursing leaders recognized from using agencies

- Services may be kept open, maintaining service continuity, especially in rural and remote areas.
- Permanent nurses may gain access to vacation and time off.
- Agency nurses have flexibility and exposure to a wide variety of practice environments.
- Agency staffing can reduce reassignment or redeployment to other practice areas.

Disadvantages nursing leaders recognized from using agencies

- There can be a negative impact on morale of permanent nurses because agencies pay higher wages plus per diems, housing and other costs.
- Agency staff can receive preferential schedules, assignments, overtime and education.
- Permanent nurses provide training, preceptor students, and perform other duties that those from agencies often do not.
- Permanent casual nurses may not get shifts they otherwise would have.
- Access to technology is often limited to permanent nurses – such as medication administration and documentation systems, causing issues with continuity of care, putting a greater burden on permanent nurses and disrupting workflow.
- There may be disruptions to continuity of care because there isn't the same level of teamwork and understanding of the nuances of team members.
- There is often less knowledge of policies and expectations of the organization.
- Temporary nurses may not know the patient/client/resident population and community context at the same level as a permanent nurse.
- Duty often falls on permanent nurses to ensure that expectations of continuity of care are being met long-term.
- Scope of practice for some nurses working with agencies is limited by the facility, creating additional challenges for the permanent staff team.

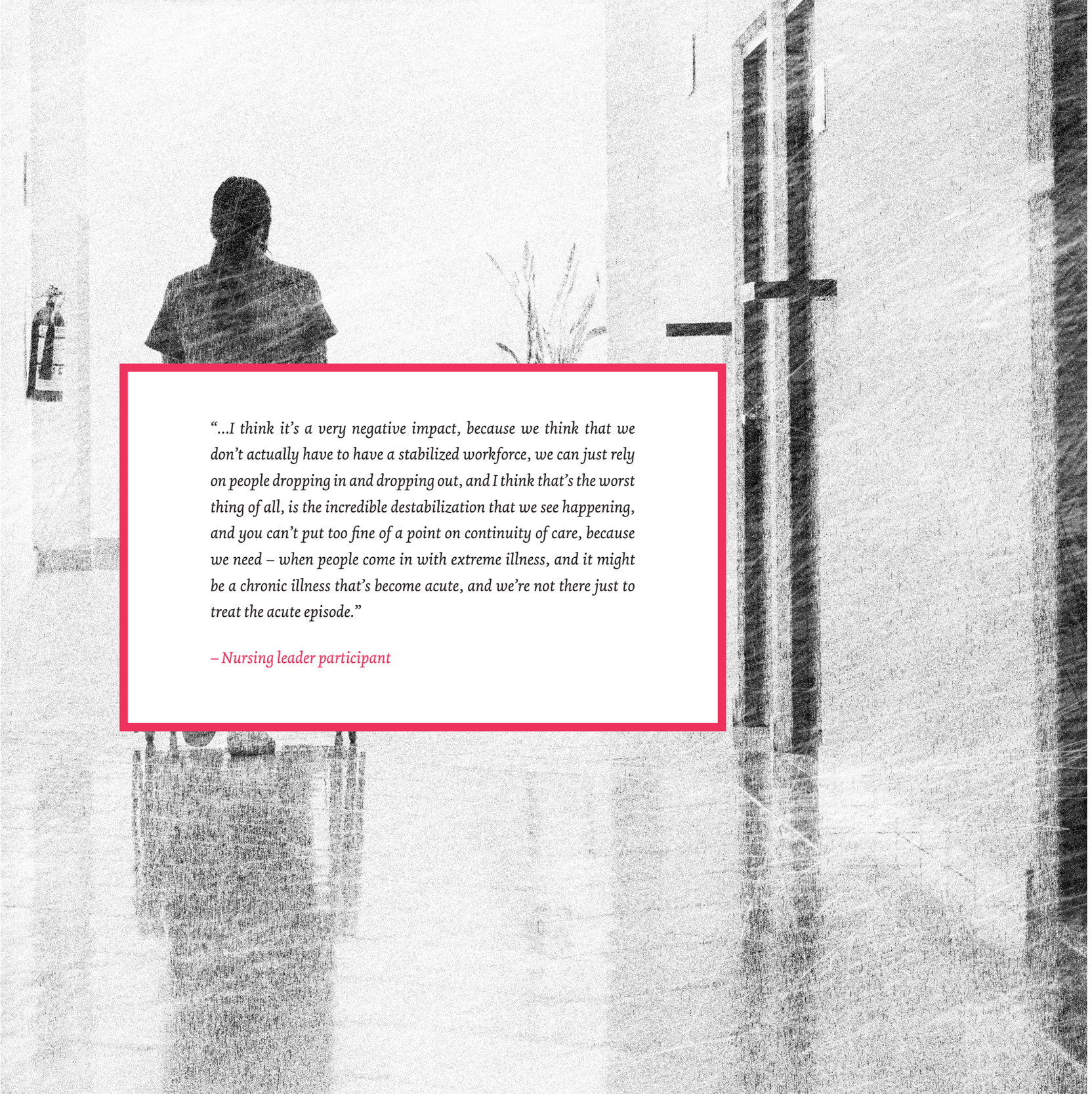


"...because of the contract they have, [nurses from agencies] are not rotating shifts, as other nurses would." "They are not floating about, and [permanent] nurses are floating around the facility because the agency nurse might be hired to perform duties in the ICU, only in the ICU, and if the employers deemed it's overstaffed, they are floating now their own staff..."

– Nursing leader participant

"And this is what we're up against in [province], with the inability to actually get ourselves off this drug of agency nursing. And what they never talk about too is the fact that ...the agencies get paid a significant amount of money per hour. We know that the people that are coming in get about $120 an hour, the agency gets probably three to four times that." "And we could take all that money, which we really could, and reinvest it back into a very vibrant retention strategy, mentorship strategy, incentivize mid- to late-career registered nurses with 10,000 bucks, 'will you stay for a year so we can stabilise?' There are so many things that we could do if they'd actually sit down and listen."

– Nursing leader participant



> *"...I think it's a very negative impact, because we think that we don't actually have to have a stabilized workforce, we can just rely on people dropping in and dropping out, and I think that's the worst thing of all, is the incredible destabilization that we see happening, and you can't put too fine of a point on continuity of care, because we need – when people come in with extreme illness, and it might be a chronic illness that's become acute, and we're not there just to treat the acute episode."*
>
> *– Nursing leader participant*

Impacts of agencies on the public health care system

In interviews with nurse leaders and employers, they discussed ways in which they see agencies impacting the public health care system.

- The public health system is being disrupted and public health care money is being exploited.
- The high costs associated with agencies are not sustainable.
- Agencies are one way health systems are shifting from public to private.
- Pay discrepancies are leading nurses to choose agencies.
- Agencies lack transparency, oversight and accountability.
- There are difficulties with following up on performance challenges.
- Terms of some contracts prevent nurses from returning to public positions.
- During COVID-19, agencies were introduced as a short-term solution but are now being used as a tool to staff routine needs in organizations.
- The increased use of agencies in urban centres 'in the south' has made it more difficult for rural and remote facilities to recruit due to competition and limited funds.
- Nurses working with agencies are being negatively portrayed in the media and being blamed for the issues that are in fact caused by structural and systemic problems.
- Negative publicity around agencies is eroding the public confidence in the nursing profession with the notion that nurses are 'just plugging holes'.
- The use of agencies and nurses leaving the public system has destabilized the nursing workforce.

Recommendations

1. **Governments must immediately begin working towards phasing out the use of private for-profit nurse staffing agencies in Canada.**

    a. Require public employers to develop, publish and implement a strategy to phase out private for-profit nurse staffing agencies, including targets, timelines, regular evaluation and penalties for non-compliance.

    b. Take profit out of nurse staffing by creating or funding government-run or non-profit organizations to staff hard-to-recruit posts.

2. **Governments and employers must immediately establish a health human resources action plan to solve the nursing shortage crisis.**

    a. Federal and provincial governments should fund and support initiatives for retention, recruitment and return of the nursing workforce, including recommendations set out in Health Canada's (2024) *Nursing Retention Toolkit*.

    b. Public employers should work towards becoming "employers of choice" by providing nurses with greater flexibility, implementing minimum nurse-to-patient ratios, inspired leadership, enhanced professional development opportunities, and valuing the professional work and voice of nurses.

    c. Governments should implement programs for student and preceptor remuneration to support new graduates entering the workforce.

    d. Governments should expand upon and add new programs that provide supports for those working in rural and remote communities to enhance recruitment and make those jobs sustainable long-term.

3. **Until private nursing agencies can be completely phased out, actions must be taken to implement regulations and oversight.**

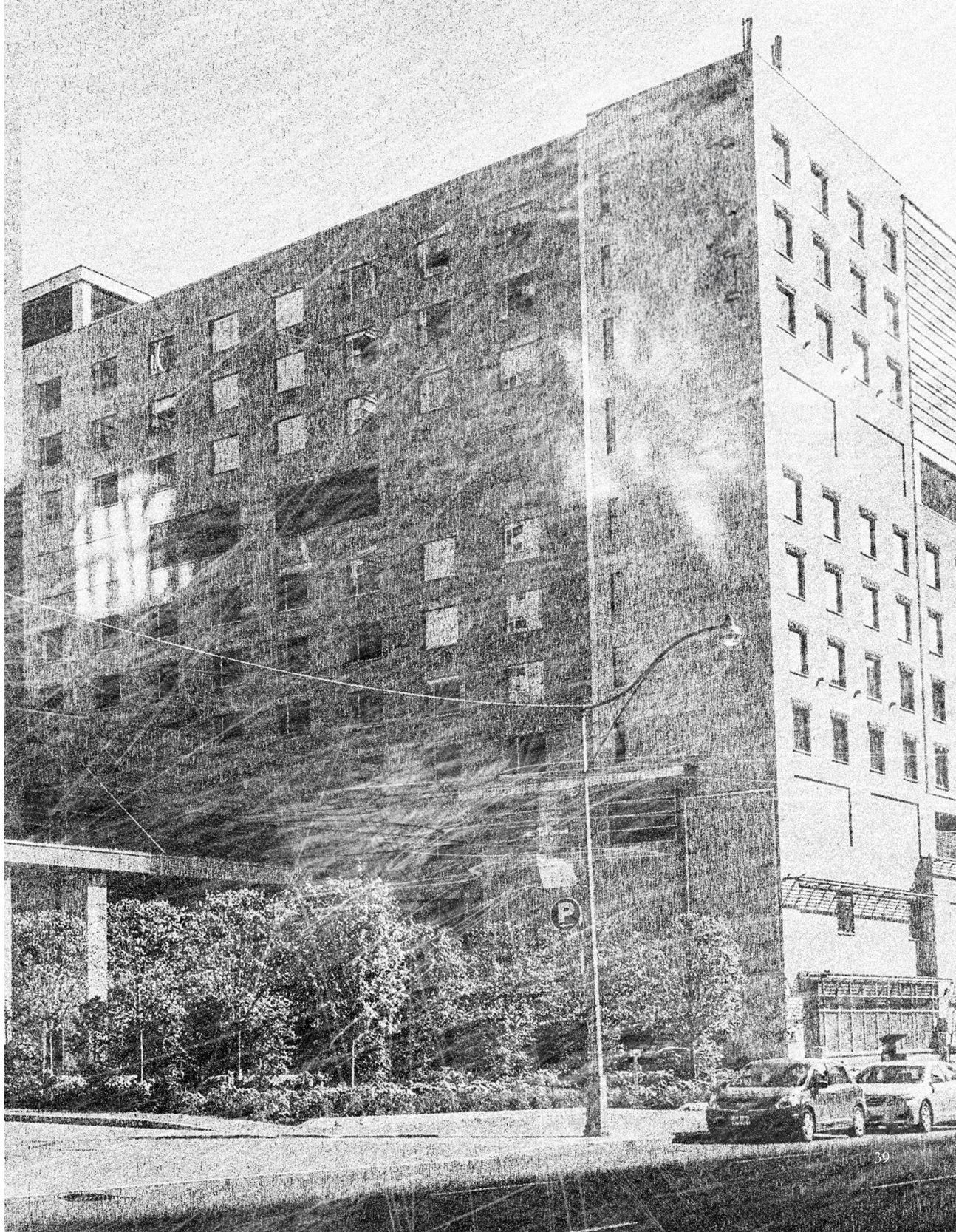
    a. Federal and provincial auditors general should investigate the costs of using private nursing agencies.

    b. Public health care employers should publicly report nursing agency use and costs paid, adhering to a minimum data standard, for purposes of health human resources planning, data analysis, research and accountability.

    c. Governments and employers must implement standardization procedures for procuring the services of agencies, including a standard vendor selection and agreement process that limits allowable costs and fixed terms.

    d. Employers should implement oversight for approval of requests for agency hours, such as mandatory reporting of reasons for using an agency and high-level supervisor signoff with written justification of why it could not be avoided.

    e. Agencies should be required to register and hold a license to operate, allowing for necessary oversight and quality assurance.



Conclusion

The use of, and the costs associated with, agencies were rising well before the pandemic, ballooned during the peak years of the pandemic and are still a growing issue. This is not surprising as nursing shortages and deteriorating working conditions predate the pandemic. Then a tsunami took place across the country, with many nurses deciding that they had had enough and chose to retire early, leave the profession or leave the public system.

The use of agencies is advantageous as the additional staff help fill vacancies, prevent closures or cancellation of services, allow vacations and improve the nurse-to-patient ratio. However, due to the transient nature of agency contracts, there is a destabilizing effect on health care teams, workload for permanent nurses and management, and continuity of care. This is disrupting the public system and destabilizing the nursing workforce at a critical time, with many leaving or close to leaving the profession and/or the public sector.

Canada's public health care system and the nursing profession cannot continue down this road because the current system is just not sustainable.

Visit our website for the full report.
nursesunions.ca/research/opening-the-black-box

References

Ben-Ahmed, H. E., & Bourgeault, I. L. (2022). *Sustaining nursing in Canada: A set of coordinated evidence-based solutions targeted to support the nursing workforce now and into the future*. Canadian Federation of Nurses Unions. https://nursesunions.ca/wp-content/uploads/2022/11/CHWN-CFNU-Report_-Sustaining-Nursing-in-Canada2022_web.pdf

Canadian Federation of Nurses Unions. (2024). *CFNU Member Survey Report*. https://assets-global.website-files.com/64108fa6cd96c24e82418a19/65f2170954d430c73820ef18_2024%20CFNU%20Members%20Survey%20-%20Web.pdf

Health Canada. (2024). *Nursing Retention Toolkit: Improving the Working Lives of Nurses in Canada. Government of Canada*. https://www.canada.ca/en/health-canada/services/health-care-system/health-human-resources/nursing-retention-toolkit-improving-working-lives-nurses.html

Health Employers Association of British Columbia. (2024). *Agency Nurse Utilization Report*. Shared with British Columbia Nurses' Union per Appendix O – Provincial Collective Agreement between HEABC and the Nurses' Bargaining Association.

Kaasalainen, S. (2023, May 18). Nursing agencies cashing in on staffing shortages. *The Hamilton Spectator*. https://www.thespec.com/opinion/contributors/nursing-agencies-cashing-in-on-staffing-shortages/article_2476b590-89cc-5268-8c11-0084e32fd465.html

Statistics Canada. (2024a). *Table 14-10-0328-01: Job vacancies, proportion of job vacancies and average offered hourly wage by selected characteristics, quarterly, unadjusted for seasonality, inactive.* https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410032801

Statistics Canada. (2024b). *Table 14-10-0443-01: Job vacancies, proportion of job vacancies and average offered hourly wage by occupation and selected characteristics, quarterly, unadjusted for seasonality*. https://www150.statcan.gc.ca/t1/tbl1/en/tv.action?pid=1410044301

Royal Society of Canada. (2022). *Investing in Canada's nursing workforce post-pandemic: A call to action*. https://rsc-src.ca/sites/default/files/Nursing%20PB_EN.pdf

Ontario Nurses' Association. (2023). *Agency Data Summary [Unpublished Raw Data]*.

CANADIAN FEDERATION OF NURSES UNIONS

Executive summary

Opening the black box: Unpacking the use of nursing agencies in Canada

September 2024

www.nursesunions.ca